

Message Text

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42

ACTION FBO-05

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FM AMEMBASSY ABU DHABI

TO SECSTATE WASHDC 3675

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E.O. 11652: N/A

TAGS: ABLD, AFSP, TC

SUBJ: NEW CHANCERY BUILDING

REF: A. ABU DHABI 2570; B. ABU DHABI 1285; C. STATE 157866;

D. STERNER TO WILLIAMSON LETTER OF JULY 24, 1975

1. SUMMARY: EMBASSY HAS NOW PINPOINTED SEVERAL BUILDINGS AS POSSIBLE SITES FOR MUCH NEEDED NEW CHANCERY. ASSUMING PREFERRED COURSE OF BUILDING OURSELVES STILL RULED OUT, WE REQUEST URGENT AUTHORIZATION FROM DEPT TO MOVE AHEAD IN SEEKING PIN DOWN SUITABLE DEAL WITH BEST OF LONG TERM RENTAL POSSIBILITIES NOW BEFORE US. END SUMMARY.

2. NEED TO RELOCATE CHANCERY OF EMBASSY ABU DHABI TO NEW QUARTERS HAS BEEN GENERALLY RECOGNIZED FOR SOME TIME. WITH EXPANSION OF POST TO AMBASSADORIAL LEVEL ESTABLISHMENT, PRESENT QUARTERS SOON BECAME CRAMPED IN TERMS OF SPACE, AND FUNCTIONAL PROBLEMS OF TRYING TO OPERATE EFFICIENT OFFICE IN FACILITIES DESIGNED AS APARTMENTS BECAME MORE ACCUTE. MOREOVER, SHABBY NATURE OF BUILDING (AGE, LACK OF MAINTENANCE, LIVING HABITS OF OTHER RESIDENTS) CONTINUES AND WORSENS, WITH BOTH VISITORS AND ABU DHABI RESIDENTS MAKING CAUSTIC (BUT TRUE) COMMENTS AS TO THE NEGATIVE IMAGE WHICH THE USG IS PRESENTING THROUGH ITS CHANCERY IN ABU DHABI. FINALLY, SECURITY ARRANGEMENTS IN PRESENT QUARTERS HAVE BEEN INADEQUATE FROM BEGINNING, AND, AS WAS ALL TOO GRAPHICALLY DEMONSTRATED IN TERRORIST ATTACK SCARE LAST SEPTEMBER, THERE IS VERY LIMITED AMOUNT ANYONE CAN DO TO IMPROVE SITUATION, EVEN IF SUBSTANTIAL FUNDS WERE AVAILABLE. IN SHORT, FS INSPECTORS RECOM-

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MENDED MOVE IN SUMMER OF 1974 AND THERE HAS BEEN DIALOGUE BETWEEN

POST AND DEPT TOWARD THAT END EVER SINCE (REFS AND OTHERS).

3. TIME HAS NOW COME TO TAKE SOME FORM OF ACTION. EMBASSY CONTINUES BELIEVE THAT BEST COURSE WOULD BE TO BUILD, ASSUMING OF COURSE THAT WE CAN GET SUITABLE SITE FROM SHAIKH ZAYID. BUT THIS COURSE ONLY REALISTIC (AND AS PRACTICAL MATTER WE CAN ONLY PURSUE QUESTION OF SITE WITH GOVERNMENT), IF WE CAN BE SURE FUNDS FOR SUCH CONSTRUCTION WILL BE AVAILABLE WITHIN REASONABLE TIME FRAME--I.E. WE CAN MUDDLE THROUGH IN PRESENT QUARTERS FOR 2-3 MORE YEARS IF WE KNOW WE ARE GOING HAVE WHAT WE WANT AND NEED AT THE END OF THAT PERIOD. UNFORTUNATELY DEPT HAS STATED (REF C) THAT SUCH FUNDING WILL BE UNAVAILABLE FOR FORESEEABLE FUTURE. HAS IDEA OF ESTABLISHING REVOLVING FUND TO ENABLE POSTS TO BUILD WHICH WOULD BE REPLENISHED OUT OF OPERATING EXPENSES TAKEN MORE CONCRETE FORM?

4. AS PER RECOMMENDATION REF C, WE HAVE THEREFORE PURSUED ONLY ALTERNATIVE OPTION OF SEEKING SUITABLE RENTAL SPACE WHICH WOULD MEET OUR NEEDS FOR EXTENDED (5-10 YEAR) PERIOD. EMBASSY IN MAKING THIS SEARCH HAS PROCEEDED FROM SEVERAL BASIC PRECEPTS. WE HAVE LOOKED FOR BUILDINGS STILL ON DRAWING BOARDS OR AT VERY EARLY STAGES OF CONSTRUCTION, SO THAT WE COULD HAVE CONTROL OVER INTERIOR ARRANGEMENTS. WE HAVE LIMITED OURSELVES TO OFFICE BUILDINGS AND HAVE TO EXTENT POSSIBLE TRIED TO INSURE THAT OWNERS ARE INTERESTED IN HAVING QUALITY BUILDING--ONE WHICH WILL HAVE CONTINUING ATTENTION PAID TO MAINTENANCE AND APPEARANCE. WE HAVE LIMITED OURSELVES TO TOP FLOORS AND EXCLUSIVE CONTROL OF ROOF FOR SECURITY PURPOSES. LOCATION OF BUILDING HAS OBVIOUSLY ALSO BEEN IMPORTANT FACTOR. WE HAS ESTIMATED OUR NEEDS AT 8200 SQUARE FEET (10,200 IF USIS WERE INCLUDED).

5. RESULTS OF THIS SEARCH ARE AS FOLLOWS: (A) BBME BUILDING POSSIBILITY DISCUSSED REF B--WHILE WE ARE STILL CONSIDERING THIS OPTION, SIZE OF BUILDING PRESENTS PROBLEM. TOP FLOOR ALONE IS NOT BIG ENOUGH, BUT TOP FLOOR PLUS ADDITIONAL FLOOR MUCH TOO LARGE--AND SHARING SECOND FLOOR IS NOT IDEAL. AS YET WE STILL DO NOT HAVE PRICE FOR SPACE IN THIS BUILDING. (B) BANK OF CREDIT AND COMMENCE INTERNATIONAL (BCCI) WITH BANK OF AMERICA INTEREST IS PUTTING UP HANDSOME, 12 STORY PRESTIGE BUILDING ON CORNICHE WHICH WILL BE IN NAME SHAIKH ZAYID'S FIFTEEN YEAR OLD SON. BUILDING TO BE COMPLETED IN TWO YEARS. BCCI WILL HAVE LOWER FLOORS AND EMBASSY COULD HAVE LIMITED OFFICIAL USE

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PENTHOUSE AND TOP FLOOR TOTALLING 11,000 SQUARE FEET. WE WOULD HAVE OUR OWN ELEVATOR, COVERED PARKING, EVERYTHING. THIS BUILDING WOULD OBVIOUSLY MEET OUR NEEDS IN VERY WAY (SPACE, IMAGE, ETC.). PROBLEM IS THAT RENT WOULD BE \$360,000 PER YEAR (DH 120 PER SQUARE FOOT), OBVIOUSLY A CONSIDERABLE SUM OF MONEY EVEN FOR ABU DHABI AND EVEN FOR LONG TERM LEASE. (C) ADNAN PACHACHI, ADVISOR TO SHAIKH ZAYID, IS PUTTING UP 10 STORY OFFICE BUILDING DUE TO BE COMPLETED IN APPROXIMATELY 15 MONTHS. WHILE

THIS BUILDING HAS LESS DESIRABLE LOCATION ON DOWNTOWN BUSINESS STREET AND IS CLEARLY NOT IN SAME PRESTIGE CATEGORY AS BCCI BUILDING, WE WOULD EXPECT IT TO LIVE UP TO STANDARD WE SEEKING. TOP THREE FLOORS TOTAL 9,030 SQUARE FEET, JUST ABOUT RIGHT FOR EMBASSY,

NOT INCLUDING USIS--WHICH HAS NO IMMEDIATE DESIRE TO MOVE. AS IN CASE OF BCCI BUILDING, WE WOULD HAVE ONE ELEVATOR FOR OUR EXCLUSIVE USE. COST WOULD BE APPROXIMATELY 65 DH FOR SQUARE FOOT (700 DH PER SQUARE METER) FOR TOTAL OF JUST UNDER \$150,000 PER YEAR. ONE SIGNIFICANT ADDITIONAL COST IS THAT OF INTERIOR WORK ON THREE FLOORS WOULD BE TO OUR ACCOUNT (ALTHOUGH POSSIBLY WE COULD AGREE TO INCREASED RENT IN RETURN FOR OWNER DOING INTERIOR WORK TO OUR DESIGN); MOREOVER WE WOULD ALSO BEAR SUCH COSTS IN CASE BCCI BUILDING. WE DO NOT HAVE ESTIMATE AT THIS TIME AS TO HOW MUCH SUCH WORK MIGHT COST, BUT IT IS CLEARLY FACTOR WHICH MUST BE BORNE IN MIND (D) WHILE NOT ACTUAL POSSIBILITIES (IN BOTH CASES BECAUSE TOP FLOORS ALREADY COMMITTED) WE HAVE LOOKED AT TWO OTHER BUILDINGS, BOTH LOCATED DOWNTOWN MUCH AS PACHACHI BUILDING. RENTS IN THESE CASES WOULD HAVE BEEN DH 74 PER SQUARE FOOT (DH 800 PER SQUARE METER) AND DH 100 PER SQUARE FOOT, IN LATTER CASE INCLUDING INTERIOR WORK, GIVING FURTHER SENSE OF MARKET IN WHICH WE OPERATING.

6. TWO MOST CONCRETE POSSIBILITIES ARE CLEARLY BCCI AND PACHACHI BUILDINGS AND IF WE WISH EITHER ONE WE MUST MOVE QUICKLY. IN CASE BCCI WE HAVE OFFER IN WRITING WITH FINAL DEADLINE OF DEC 28, 1975. THIS PERHAPS SUBJECT TO SOME EXTENSION BUT NOT MUCH (ARCHITECTS NEED TO KNOW WHETHER ADDITIONAL ELEVATOR FOR OUR USE IS IN FACT REQUIRED). PACHACHI POSSIBILITY HAS NO FIXED DEADLINE BUT WE HAVE BEEN TOLD THAT ANOTHER QUALITY CLIENT IS INTERESTED IN BUILDING SO THAT EARLY COMMITMENT ALSO APPEARS NECESSARY. MOREOVER, IN TERMS WORKING OUR SECURITY SPECIFICATIONS INTO DESIGN TIME ALSO RELATIVELY SHORT.

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7. CONCLUSION/RECOMMENDATION: WE, OR MORE REALISTICALLY OUR SUCCESSORS, WOULD OBVIOUSLY PREFER THE BCCI BUILDING, BUT THERE IS POINT WHERE ADDITIONAL VALUE RECEIVED IS LESS THAN ADDITIONAL DOLLARS IN COST. WE RELUCTANTLY CONCLUDE SUCH IS PROBABLY CASE WITH BCCI BUILDING. PACHACHI BUILDING ON OTHER HAND WILL NOT BE GLAMOROUS, BUT IT SHOULD BE FUNCTIONAL, MEETING BOTH OUR NEEDS IN TERMS OF SPACE AND OUR CONCERNS RE IMAGE FOR NEXT 5 TO 10 YEARS. IT TOO IS OBVIOUSLY NOT CHEAP WHEN COMPARED TO OUR PRESENT BARGAIN BASEMENT (SIC) BUT COST OF EVEN OUR GRUBBY QUARTERS WILL RISE STEADILY IN YEARS AHEAD. COST OF PACHACHI BUILDING IS IN THE RANGE WE INDICATED IN REF D AND, AS OTHER INQUIRIES HAVE DEMONSTRATED, WE DO NOT BELIEVE WE CAN FIND ANYTHING ELSE WHICH WOULD BE SIGNIFICANTLY LESS AND SCDLL SATISFY OUR REQUIREMENTS. WE

THEREFORE URGE THAT WE BE GIVEN AUTHORITY TO GIVE GENERAL COMMITMENT TO DR. PACHACHI. CLEARLY THERE REMAIN NUMBER OF POINTS TO BE SETTLED, INCLUDING COST OF INTERIOR WORK, VISIT BY TECHNICAL TEAM TO DISCUSS SECURITY/CONSTRUCTION REQUIREMENTS ETC. BEFORE FINAL DECISION COULD BE TAKEN. THIS OPPORTUNITY, HOWEVER, WHICH WE BELIEVE WE SHOULD ACTIVELY PURSUE IN BEST EFFORT REACH ACCEPTABLE ARRANGEMENTS.

8. EARLY REPLY REQUESTED.
STERNER

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